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UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

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I. INTRODUCTION

A. Origin and background of the Working Group

1. The Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the General Assembly under resolution 2656 (XXV) of 7 December 1970 to study all aspects of the financing of the Agency. In that resolution, the General Assembly requested the Working Group to assist the Secretary-General and the Commissioner-General of UNRWA in reaching solutions to the problems posed by the Agency's financial crisis.

2. At the twenty-fifth session and all those that followed, the General Assembly considered the reports submitted to it by the Working Group, 1/ and adopted resolutions commending the efforts of the Working Group and requesting it to continue them for a further year. 2/

3. The Working Group consists of the representatives of France, Ghana, Japan, Lebanon, Norway, Trinidad and Tobago, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Chairman of the Working Group is Mr. Inal Batu of Turkey.

B. Consideration of the report of the Working Group at the forty-seventh session of the General Assembly

4. The report of the Working Group on its activities in 1992 3/ was considered by the General Assembly at its forty-seventh session under agenda item 73, entitled "United Nations Relief and Works Agency for Palestine Refugees in the Near East". At its 3rd plenary meeting on 18 September 1992, the General Assembly decided to include this item in its agenda and to allocate it to the Special Political Committee, which considered it at its 9th, 10th, 11th, 12th and 27th meetings on 2, 3, 4, 5 and 25 November 1992.

5. At the 27th meeting of the Committee on 25 November 1992, the representative of the Netherlands introduced a draft resolution entitled "Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East" (A/SPC/47/L.15) sponsored by Australia, Austria, Bangladesh, Belgium, Canada, Denmark, France, Germany, Greece, Indonesia, Ireland, Italy, Luxembourg, Malaysia, the Netherlands, New Zealand, Pakistan, the Philippines, Portugal, Spain, Sweden, Turkey and the United Kingdom of Great Britain and Northern Ireland.

6. Under the terms of the draft resolution, the General Assembly would:

(a) Commend the Working Group for its efforts to assist in ensuring the Agency's financial security;

(b) Take note with approval of the report of the Working Group;

(c) Request the Working Group to continue its efforts, in cooperation with the Secretary-General and the Commissioner-General of UNRWA, for the financing of the Agency for a further period of one year;

(d) Request the Secretary-General to provide the necessary services and assistance to the Working Group for the conduct of its work.

7. At its 27th meeting on 25 November 1992, the Committee adopted the draft resolution without a vote.

8. At its 85th plenary meeting on 14 December 1992, the General Assembly considered the draft resolution regarding the Working Group, which had been recommended by the Special Political Committee, together with other draft resolutions under this item. On 14 December 1992, the General Assembly adopted the draft resolution without a vote as resolution 47/69 B.

II. ACTIVITIES OF THE WORKING GROUP DURING 1993

9. Throughout the year, the members of the Working Group have followed with concern the difficulties experienced by the Agency and, in particular, the serious financial situation it continued to face. The Working Group held two meetings, on 9 September and 22 October 1993, to consider the recent developments in the Agency's financial situation and to prepare its report to the General Assembly. The Working Group adopted its report at its meeting on 22 October 1993.

10. At its meeting on 9 September 1993, the Working Group heard the Comptroller of UNRWA, who submitted an up-to-date report on the financial situation of the Agency. The Working Group gave further consideration to the Comptroller's report at its meeting on 22 October 1993 (see sect. III below).

III. FINANCIAL SITUATION OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

11. UNRWA ended the first year of the 1992-1993 biennium with a deficit of $10.2 million in its programmes. This included a shortfall of $2.6 million in its General Fund, which reduced the Agency's working capital by the same amount, from $33.7 million to $31.1 million. The working capital is only sufficient to cover exper iture for the Agency's regular operations for about five or six weeks. (In addition to the working capital, another $6.5 million remained set aside for emergencies and other contingencies.) The total 1992 deficit also reflected an accumulated deficit of $6.4 million relating to major funded ongoing activities that are a core part of the Agency's regular programmes. The fund for Extraordinary Measures in Lebanon and the Occupied Territory (EMLOT) also showed a negative balance of $1.2 million at the end of 1992. The continuing difficulty in obtaining adequate funding for the EMLOT programme remains a matter of serious concern to the Agency. In addition to the shortfalls in the Agency's regular and emergency programmes, the Agency's fund for Capital and Special Projects, which was budgeted at $12.8 million for 1992, was only partially funded by special contributions. Consequently, the

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confidence for future improvement in the economic and social conditions in the region. UNRWA's programmes, therefore, must not only be maintained at existing levels, but may need to be expanded and improved upon in response to the new situation. The chronic financial difficulties that UNRWA has faced since the establishment of the Working Group should be addressed. In response to the recent political developments and to support the peace process, the Agency has introduced a programme entitled the peace implementation programme (PIP). This covers an improvement in, and expansion of, ongoing programmes and services, as well as short-term projects related to the infrastructure of basic and social services. It should be noted that although the initial focus of the latest development towards peace in the region is the West Bank and Gaza Strip, it is important that the needs of the 1.7 million refugees in Jordan, Lebanon and the Syrian Arab Republic should not be overlooked. Therefore, UNRWA must maintain and improve the services that it provides to Palestine refugees residing in all of its five fields of operation.

IV. CONCLUDING REMARKS

15. The Working Group is concerned to note that UNRWA failed to receive funding sufficient to deliver all parts of its planned programmes in 1992 and that it expects to be unable to do so again in 1993. While expressing its appreciation to donors, especially those who increased their contributions or have expressed an interest in contributing for the first time, it notes with concern the difficulties experienced in maintaining the level of contributions required to sustain the EMLOT programme, as well as the fact that the emergency funding requirements outlined in the Commissioner-General's special appeals of February and May 1993 are still undersubscribed. It is particularly concerned that the EMLOT programme faces a serious cash shortfall and that the urgent needs emphasized in the Commissioner-General's special appeals have not been fully addressed.

16. The Working Group commends the Commissioner-General for his efforts at fund-raising. These include regular visits to donor countries, as well as informal meetings in Vienna with major donors and others to explain the Agency's programmes and to discuss its problems. The Commissioner-General has thus maintained and strengthened the relationship between UNRWA and its donors, which is indispensable if it is to surmount the very difficult problems it faces in sustaining financial support.

17. The Working Group shares the Commissioner-General's concern about the funding prospects for 1993, as well as for 1994. The Agency's expenditure in its regular programme is once again expected to increase by 5 per cent in order to meet the needs of a growing number of beneficiaries, especially school children, and to cover unavoidable increases in prices and staff salaries. While the Working Group is confident that the Commissioner-General will continue to keep a close watch on expenditures and to improve administrative efficiency, it seems inevitable that an increase in contributions will be necessary to cover expected expenditure on the regular programme. The Working Group is particularly concerned at the state of funding for the emergency-related programmes financed under EMLOT. There can be no doubt that these programmes are vital to the well-being of the refugee population and others in need in Lebanon and the Israeli-occupied territory of the West Bank and Gaza Strip, who

have, since the last report of this Group, experienced additional hardships resulting from the deterioration of socio-economic conditions in the region. The discontinuance or any reduction in assistance to these populations could have disturbing humanitarian and political consequences. The Group commends the Agency for its response to new and continuing humanitarian needs and for the measures it is taking, particularly in the area of job creation and income-generating projects, to help meet these needs. Inevitably, however, these new initiatives will place an even greater burden on the Agency's resources and will require special fund-raising efforts and generous responses from the international community.

18. The Working Group therefore strongly urges all Governments to bear in mind the foregoing considerations when deciding upon the level of their contributions for 1994 and urges Governments:

(a) That have not yet contributed to UNRWA to start to do so;

(b) That have so far made only relatively small contributions to increase their contributions;

(c) That in the past have made generous contributions to UNRWA to continue to do so and to strive to increase them;

(d) To consider making additional contributions in support of both ongoing emergency-related and special programmes in Lebanon and in the occupied territory of the West Bank and Gaza Strip, and expanded programmes planned by the Agency in response to developments in the peace process, without in any way decreasing or diverting funds from their contributions to the Agency's regular programmes;

(e) To consider making special additional contributions for construction projects, again without affecting their contributions to the regular programmes.

Notes

1/ Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 35, document A/8264; ibid., Twenty-sixth Session, Annexes, agenda item 38, document A/8476; ibid., Twenty-seventh Session, Annexes, agenda item 40, document A/8849; ibid., Twenty-eighth Session, Annexes, agenda item 43, document A/9231; ibid., Twenty-ninth Session, Annexes, agenda item 38, document A/9815; ibid., Thirtieth Session, Annexes, agenda item 54, document A/10268 and A/10334; ibid., Thirty-first Session, Annexes, agenda item 53, document A/31/279; ibid., Thirty-second Session, Annexes, agenda item 55, document A/32/278; ibid., Thirty-third Session, Annexes, agenda item 50, document A/33/320; ibid., Thirty-fourth Session, Annexes, agenda item 50, document A/34/567; ibid., Thirty-fifth Session, Annexes, agenda item 53, document A/35/579; ibid., Thirty-sixth Session, Annexes, agenda item 60, document A/36/615; ibid., Thirty-seventh Session, Annexes, agenda item 65, document A/37/591; ibid., Thirty-eighth Session, Annexes, agenda item 73, document A/38/558; ibid., Thirty-ninth Session, Annexes, agenda item 75, document A/39/575; ibid., Fortieth Session, Annexes, agenda item 79, document A/40/736; ibid., Forty-first Session,

Notes (continued)

Annexes, agenda item 79, document A/41/702; ibid., Forty-second Session, Annexes, agenda item 79, document A/42/633; ibid., Forty-third Session, Annexes, agenda item 76, document A/43/702; ibid., Forty-fourth Session, Annexes, agenda item 74, document A/44/641; ibid., Forty-fifth Session, Annexes, agenda item 74, document A/45/645 and ibid., Forty-sixth Session, Annexes, agenda item 72, document A/46/622.

2/ Resolutions 2791 (XXVI) of 6 December 1971, 2964 (XXVII) of 13 December 1972, 3090 (XXVIII) of 7 December 1973, 3330 (XXIX) of 17 December 1974, 3419 (XXX) of 8 December 1975, 31/15 C of 23 November 1976, 32/90 D of 13 December 1977, 33/112 D of 18 December 1978, 34/52 D of 23 November 1979, 35/13 D of 3 November 1980, 36/146 E of 16 December 1981, 37/120 A of 16 December 1982, 38/83 B of 15 December 1983, 39/99 B of 14 December 1984, 40/165 B of 16 December 1985, 41/69 B of 3 December 1986, 42/69 B of 2 December 1987, 43/57 B of 6 December 1988, 44/47 B of 8 December 1989, 45/73 B of 11 December 1990 and 46/46 B of 9 December 1991.

3/ Official Records of the General Assembly, Forty-seventh Session, Annexes, agenda item 73, document A/47/576.